

CREDIT UNIONS

CHAPTER 80-2-1

BOOKS AND RECORDS

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80-2-1-.01 General Requirements for Accounting Procedures.

(1) A credit union reporting assets of \$5,000,000 or more for two consecutive quarters is required to maintain its books of account in accordance with generally accepted accounting principles, including a complete and accurate account of:

- (a) All of its assets, whether in its name or in the name of another person;
- (b) All of its liabilities, its borrowings, and any security interests in its assets; and
- (c) All of its income, expenses, capital gains and losses.

(2) Each credit union shall, by the end of each month, prepare a financial statement reflecting its position and operations of the preceding month. This statement, to be prepared from the accounts of the general ledger of the credit union, shall include a complete report of the credit union's earnings, setting forth in detail all items of income and expense. It shall be signed by an officer of the credit union and attested to by one member of the Supervisory Committee. A notice, which the credit union shall at all times display, shall be posted in a public area of its main office and each branch office, informing its members that the monthly financial statement may be examined, upon request of a member, at each office of the credit union. The notice shall include at a minimum, directions as to who to contact to view the statement.

(3) Each credit union shall file with the Department a complete report of its condition as of the last business day in March, June, September and December of each calendar year and at such other dates as the Commissioner may determine. Such reports shall be filed no more than thirty (30) days after the close of the applicable accounting period. Each such report shall be on forms prescribed by the Department and shall be attested as provided on the form.

Authority Ga. L. 1974, p. 733; O.C.G.A. §7-1-61.

80-2-1-.02 Minimum Requirements for Books and Records.

(1) In addition to the requirements otherwise set forth herein, the following subsidiary records must be maintained:

(a) Securities Register — shall contain a record of all securities, certificates of deposit, commercial paper, acceptances, and other investments bought or sold, showing date of transaction, proper name of the security, interest rate, maturity date, par value, purchase price, book value, schedule of amortization of premium and accretion of discounts, and location where the security is held.

(b) Loan Ledgers —

1. credit unions shall maintain a record of the direct and indirect liability of each member;
2. where a credit union elects to maintain installment loans separately from other direct loans of a borrower and does not include them on the Liability Ledger above, they may be maintained in a separate ledger with payments being posted directly thereto. Such ledger must reflect any and all modifications to the terms of the original note contract which may be granted from time to time, i.e., adjustments of the due date or amount of payments;
3. such record may be maintained in whatever order desired by management, i.e., alphabetical, numerical, class of loan, except where they are not maintained alphabetically, a cross-reference file must be maintained.

(c) Deposit Ledgers — credit unions must maintain separate deposit records for each general ledger segregation of deposits. Such record must contain a continuing itemized record of all deposits and withdrawals. Deposits will be segregated into no fewer than the following categories: Transaction or Share Draft Accounts, Savings Deposits, Christmas Savings, and Member Deposit Certificates. Deposit records must be posted daily wherever the credit union offers transaction or share draft accounts; provided, a credit union may defer business conducted on Saturday for posting on the next business day. Such record may be maintained in whatever order desired by management; i.e., alphabetical, numerical, class of deposit, except where they are not maintained alphabetically, a cross-reference file must be maintained.

(d) Income and Expense Register — a detailed record of income and expenses must be maintained. Expenses are to be recorded in such detail as to clearly describe each expense; i.e., supplies, rent, salaries, etc.

(e) Cash Items Register — a daily listing must be maintained of all cash items held which shows the maker on the item, last endorser, date acquired, amount, and reason held.

(f) Charged-Off Assets — all charge-offs, including loans, must be approved by the Board of Directors and such approvals recorded in the minute book. A permanent record of all charge-offs and recoveries thereon must be maintained. When a recovery is made on an asset that has been charged off, the funds are to be credited to the regular reserve and applied to the account that was charged off.

(g) Safekeeping Register — a register must be maintained of all items held for safekeeping by a credit union for its members other than items maintained in a safe deposit box under the sole control of the member. The register should describe the item fully, show the name of the owner, date received, and the number of the receipt given to the member. When the item is returned to the member, the receipt must be secured by the credit union, signed by the member stating that he has received the item that was held for safekeeping. The receipt must then be maintained with the safekeeping register.

(h) Reconciliation Records — the Supervisory Committee shall reconcile correspondent account statements monthly or shall verify for accuracy reconciliations made by others. A copy of each reconciliation shall be filed in chronological order and kept as a record. The Supervisory Committee may delegate this responsibility to an internal auditor provided such person has no authority to sign on the account or to initiate or post entries to the general ledger.

(i) Overdrafts — a record of all overdrawn deposit accounts shall be maintained. Such record shall contain the name of the account holder, the amount of the overdraft, and the date the overdraft originated. The most current record shall be approved by the Credit Committee or, in lieu thereof, by the board of directors of the credit union at least monthly, and such action shall be recorded in the minutes of the meetings of such committee. Overdrafts of less than \$100, other than overdrafts on the accounts of officers, directors, and employees may be aggregated and reported in lump sum;

(2) All subsidiary records maintained in support of General Ledger accounts must be balanced back to the General Ledger control balance at least monthly. After balancing at the end of each month on all accounts segregated in the general ledger, the balances and the amounts shown in the general ledger of those accounts and the reconciliation of differences, if any, must be recorded in the Trial Balance Log. The date and the initials of the person running the trial balance must be entered in the log.

(3) Information required to be maintained pursuant to this Rule may be in written form or available subject to access upon computer query. If available, subject to query access, a written record of such information shall be produced at least monthly.

Authority Ga. L. 1974, p. 733.

80-2-1-.03 Minimum Records Retention Periods.

Retention of records of the State chartered credit union shall be in accordance with Rule 80-10-1.

Authority Ga. L. 1974, p. 733.